

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:2056

ANSWERED ON:23.08.2012

EXCISE DUTY LEVIED ON RETAIL PRICE OF MEDICINES

Chavan Shri Harischandra Deoram

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether PM's Task Force on making the medicines affordable has asked the Government to cut by half the excise duty levied on retail price of medicines;
- (b) if so, the details thereof;
- (c) whether the excise duty is currently levied at 60 per cent of retail price;
- (d) if so, the details thereof;
- (e) whether the final report submitted by the Task Force also states that ceiling prices should be fixed for essential ingredients taken from a list prepared by the Ministry of Health and Family Welfare;
- (f) if so, the details thereof;
- (g) whether the drugs with 70 per cent market share are likely to be de- branded; and
- (h) if so, the details thereof?

Answer

MINISTER OF STATE(INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) & (b): The Task Force to Explore Options other than Price Control for Achieving the Objective of Making Available Life-saving Drug at Reasonable Prices which was headed by Dr. Pronab Sen, the then Principal Advisor, Planning Commission had recommended on 20th September, 2005 to reduce the excise duty on all pharmaceutical products from 16% to 8%.

(c): No Sir.

(d): In view of reply to (c) above, does not arise.

(e) & (f): The Task Force to Explore Options other than Price Control for Achieving the Objective of Making Available Life-saving Drug at Reasonable Prices which was headed by Dr. Pronab Sen, the then Principal Advisor, Planning Commission had recommended that the National List of Essential Medicines(NLEM) should form the basis of drugs to be considered for intensive price monitoring, ceiling prices and for imposition of price controls, if necessary. To start the process, the government should announce the ceiling price of all drugs contained in the NLEM on the basis of the weighted average prices of the top three brands by value of single ingredient formulations prevailing in the market as on 01.04.2005.

(g): No Sir.

(h): In view of reply to (g) above, does not arise.